

Work Session
City Hall
Fayette, Alabama
May 26, 2015

The City Council of the City of Fayette held a work session at 4:30 o'clock, p.m. on May 26, 2015, in the Council Chambers of the City Hall.

Upon roll call the following were found to be present: Mayor Ray Nelson, Council members Linda McCraw, Mike Hardin, Jason Cowart, Cedric Wilson and David Brand. Also present were City Clerk Dawn Clapp and City Attorney Dale Lawrence.

The opening prayer was given by Councilmember Cedric Wilson.

Mayor Ray Nelson announced that a quorum was present and that the meeting was open for the transaction of business.

PUBLIC MEETING ON HOSPITAL

Mayor Nelson discussed with the Council having a public meeting on June 25, 2015, at 6:00 p.m. at Fayette Civic Center, concerning the City's plan to aid the Fayette Medical Center.

DRAFT ORDINANCE TO AID HOSPITAL

City Attorney Dale Lawrence reviewed with the Council the rough draft of the proposed ordinance for providing sustaining support for the Fayette Medical Center. The rough draft of the ordinance was as follows:

ORDINANCE NO. 2015-___

AN ORDINANCE AMENDING §10-36, *PRIVILEGE TAX – RETAIL SALES OF TANGIBLE PERSONAL PROPERTY, RATES, EXCLUSIONS WITHIN CITY* AND §10-43, *EXCISE TAX ON TANGIBLE PERSONAL PROPERTY* OF ARTICLE IV. *PRIVILEGE AND EXCISE TAXES* OF CHAPTER 10. *LICENSES AND TAXATION*

BE IT ORDAINED, BY THE CITY COUNCIL OF THE CITY OF FAYETTE, ALABAMA, as follows:

SECTION 1. That Section 10-36, *Privilege tax – Retail sales of tangible personal property, rates, exclusions, within city* of ARTICLE IV. *Privilege and Excise Taxes* of CHAPTER 10. *LICENSES AND TAXATION* of the CODE OF ORDINANCES OF THE CITY OF FAYETTE, ALABAMA is hereby amended by striking such article in its entirety and substituting the following therefor:

§ 10-36. Privilege tax – Retail sales of tangible personal property, rates, exclusions, within city.

A tax is levied upon every person, firm or corporation, (including the State of Alabama, the University of Alabama, Auburn University and all other institutions of higher learning in the state, whether such institutions be denominational, state, county or municipal institutions and any association or other agency or instrumentality of such institutions) engaged, or continuing within the City of Fayette in business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character, (not including, however, bonds, or other evidences or debts or stocks, nor sale or sales of material and supplies to any person for use in fulfilling a contract for the painting, repair or reconditioning of vessels, barges, ships and other watercrafts of over fifty (50) tons burden), and amount equal to **three and one-half (3½) percent** of the gross proceeds of sales of the business except where a different amount is expressly provided herein; provided, however, that any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax required on the gross proceeds of retail sales of such business at the rates specified, when his books are kept so as to show separately the gross proceeds of sales of each business, and when his books are not so kept, he shall pay the tax as retailer on the gross sales of the business. (Ord. No. 1982-4,8-2-82, § 1(a))

SECTION 2. That Section 10-43, *Excise tax on tangible personal property* of ARTICLE IV. *Privilege and Excise Taxes* of CHAPTER 10 *LICENSES AND TAXATION* of the CODE OF ORDINANCES

OF THE CITY OF FAYETTE, ALABAMA is hereby amended by striking such article in its entirety and substituting the following therefor:

§ 10-43. Excise tax on tangible personal property.

An excise tax is hereby imposed on the storage, use or other consumption in the city of tangible personal property (not including materials and supplies bought for use in fulfilling a contract for the painting, repairing, or reconditioning of vessels, barges, ships and other watercraft of more than fifty (50) tons burden) purchased at retail on or after the effective date of this article, for storage, use or other consumption in the city, except as provided in the subsections hereinafter, at the rate of **three and one-half (3½) percent** of the sales price of such property within the corporate limits of said city. (Ord. No. 1982-4, 8-2-82, § 3(a))

SECTION 3. The three and one-half (3½) percent tax levied and imposed in § 10-36 and § 10-43 shall be allocated as follows:

- 1. Three percent (3%) shall be allocated to the City’s general fund;**
- 2. One-half percent (½%) shall be allocated to the Fayette County Hospital Board, Inc., to aid Fayette Medical Center. These funds shall be used by the Hospital Board for these purposes only:**
 - a. _____**
 - b. _____**

SECTION 4. The Chairman of the Fayette County Hospital Board and the Fayette Medical Center Administrator or their designee shall on a quarterly basis appear at a regular meeting of the Council and report to the Council on how the funds received from the City have been expended.

SECTION 5. Sunset provision. The three and one-half (3½) percent tax levied and imposed in § 10-36 and § 10-43 shall revert to three (3%) percent on _____, 2019 unless the said three and one-half (3½) percent rate is renewed by the Council through adoption of an ordinance providing for the three and one-half (3½) percent rate to continue and remain in effect.

SECTION 6. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION 7. This ordinance shall be effective as of _____ 1, 2015.

Adopted this the _____ day of _____, 2015.

Mayor

ATTEST:

City Clerk

The Council discussed how long the ordinance should be in effect. Councilmember Cowart suggested four years and Councilmember McCraw suggested two years. The consensus of the Council was to have the administrators report annually and for the ordinance to be in effect for a three year period.

ADJOURNMENT

There being no further business to come before the Council, upon the motion to adjourn being made by Councilmember Wilson and seconded by Councilmember Cowart, the same was unanimously adopted.

Mayor

Attest:

City Clerk